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BEFORE THE UNITED STATES OF AMERICA POSTAL REGULATORY COMMISSION WASHINGTON, DC 20268-0001

Minor Correction to Product Description in Mail Classification Schedule

Docket No. MC2022-57

PUBLIC REPRESENTATIVE COMMENTS

(June 6, 2022)

I. INTRODUCTION

On May 6, 2022, the Postal Service filed a notice of minor corrections to the International Money Transfer Service (IMTS) – Inbound product description in the Mail Classification Schedule (MCS) pursuant to 39 C.F.R. § 3040.190(b).¹ On May 9, 2022, the Commission issued an order establishing this docket, requesting public comments, and appointing the undersigned as Public Representative.²

II. SUMMARY OF PROPOSED CHANGES

The Postal Service seeks to remove certain nations from the list of countries in MCS subsection 2625.2. Notice at 1. The Postal Service proposes two corrections to this subsection, which lists the countries where IMTS-Inbound is offered. *Id.* at 1-3. First, it requests that the Commission remove Japan from the list of countries when this docket is concluded because the Postal Service terminated the exchange of international postal money orders with Japan Post. *Id.* at 2. Second, the Postal Service proposes to remove the Bahamas, Barbados, British Virgin Islands, Dominica, Montserrat, St. Kitts, and St. Vincent from the list of countries, effective October 1,

¹ Notice of United States Postal Service of Filing Minor Corrections to the Product Description of International Money Transfer Service – Inbound, May 6, 2022 (Notice).

² Notice and Order Concerning Minor Corrections to Product Description in the Mail Classification Schedule, May 9, 2022, at 3 (Order No. 6168).

2022, because it intends to stop cashing international postal money orders issued by the postal operators of those countries. *Id.* Thus, the changes are intended to take effect on two dates: the former will take place when this docket is concluded, while the latter will take place on October 1, 2022. *Id.* at 2.

III. ANALYSIS

Pursuant to 39 C.F.R. § 3040.190(a), the Postal Service must "ensure that product descriptions in the Mail Classification Schedule accurately represent the current offerings of the Postal Service." When it intends to make minor corrections to the product descriptions, the Postal Service shall file notice with the Commission no later than 15 days prior to their effective date. *Id.* § 3040.190(b). Such a notice must, in relevant part, explain why the corrections do not constitute "material changes to the product description" pursuant to 39 C.F.R. § 3040.180 and explain why the corrections are consistent with applicable United States Code, regulations, and Commission directives. *See id.* § 3040.190(c).

The Public Representative has reviewed the Notice, proposed alterations, and applicable statutory and regulatory requirements. He initially notes that the Notice was filed more than 15 days prior to the changes' effective date and include the relevant redlines to the MCS. See 39 C.F.R. § 3040.190(b), (c)(3). He also finds that the proposed changes will "ensure that product descriptions in the [MCS] accurately represent" the Postal Service's current offerings by updating MCS subsection 2625.2 so that it accurately reflects the countries where IMTS-Inbound is offered. See id. § 3040.190(a); Notice at 2. Moreover, though the Postal Service did not expound specifically on the subject, he notes that there is nothing that would suggest that the current changes are inconsistent with federal law or Commission directive. See id. § 3040.190(c)(2). Therefore, the determinative issue is whether the corrections constitute "material changes to the product description" pursuant to 39 C.F.R. § 3040.180. See id. § 3040.190(c)(1).

Commission regulations "distinguish[] between material changes and minor corrections to the descriptive content in the MCS...." The primary driver when determining whether a classification alteration is a material change or a minor correction is "the degree to which the proposed alteration affects the characteristics of the product." Other factors include "whether the proposed change would significantly alter the user experience for the product and whether it would significantly impact competitors offering a similar service ." Order No. 5761 at 4 (citation omitted).

Here, the Postal Service states that the proposed alterations "do not give rise to material changes to the IMTS-Inbound product description, for purposes of 39 C.F.R. § 3040.180" but fails entirely to explain why this is the case. See Notice at 2. The Postal Service does not address any of the relevant factors in its Notice, nor is there any other evidence in the record that could lead to a determination of these issues. In its absence, the Public Representative turns to Commission precedent, in which updates to product descriptions adding or removing countries have been held as minor corrections

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³ Docket No. RM2015-6, Order Adopting Final Rules on Changes and Corrections to the Mail Classification Schedule, June 16, 2015, at 2 (Order No. 2543). Should the corrections in reality constitute material changes, additional requirements would apply. *See* 39 C.F.R. § 3040.181.

⁴ See Docket No. MC2021-25, Order Approving Minor Corrections to the Mail Classification Schedule, November 25, 2020, at 3-4 (Order No. 5761) (citing Docket No. RM2015-6, Notice of Proposed Rulemaking on Changes and Corrections to the Mail Classification Schedule, November 14, 2014, at 9, 14 (Order No. 2250)).

rather than material changes.⁵ For instance, in Docket No. MC2016-172, the Postal Service sought to introduce outbound Priority Mail Express International service to Cuba and thus proposed to add the country to the MCS's list of nations in which the service was offered. Order No. 3458 at 1-2. The Commission determined that this alteration constituted a minor correction rather than a material change. *Id.* at 3-4. It reasoned that the "proposed classification change will not affect the characteristics of any products," "does not significantly change the user experience for any product," and "there is no evidence that it will significantly impact competitors." *Id.* at 4. By this reasoning, the current changes—removing certain countries from the list of nations where a service is offered—should also not constitute material changes.

The Public Representative suggests that this docket may provide an opportunity to expand on the distinction between material changes and minor corrections in the context of the MCS. In many of the prior dockets discussing this distinction, the final orders have not fully examined the meaning of the relevant factors—*i.e.*, change in the characteristics of the product, alteration of the user experience, and impact on competitors. See, e.g., Order No. 3458 at 4; Order No. 2808 at 4-5.

The changes proposed here provide a good example of the need for clarity on these factors. For instance, what exactly are the "the characteristics of the product" in the context of the distinction between major and minor changes? Specifically, do they include the geographic area in which a product is offered? If so, the changes proposed here—removing several countries from the list of nations in which the IMTS-Inbound is offered—should qualify as a material change. Similarly, what is the meaning of "the user experience" of the product in question? Here, users in the countries affected by

⁵ See Docket No. MC2016-172, Order Approving Minor Classification Change, August 8, 2016, at 1-2, 4 (Order No. 3458); see also Docket No. MC2016-10, Order Approving Minor Classification Changes, November 9, 2015, at 4-5 (Order No. 2808) (determining that changes to country listings and groupings, including updating price listings, constituted minor corrections); Docket No. MC2012-17, Order Approving Minor Classification Change Concerning Timor-Leste, May 23, 2012, at 2 (Order No. 1351) (finding that the addition of a new country listing for Timor-Leste to reflect its independence from Indonesia was a minor correction); Docket No. MC2011-4, Order Concerning Classification Changes, November 22, 2010, at 3 (Order No. 594) (determining that the transfer of Israel from one price group to another and adding a new country listing was a minor correction).

the proposed modifications will certainly have their experience changed, as they will no longer be able to use IMTS-Inbound at all. On the other hand, in countries where the service is still offered, users' experiences will not be changed in the slightest. Fully explaining the meaning of the factors will allow the Postal Service, future Public Representatives, and interested parties to better evaluate changes to the MCS going forward and determine whether they should be considered material or minor.

IV. CONCLUSION

The Public Representative concludes that, under Commission precedent as it currently exists, the proposed alterations to MCS section 2625.2 constitute minor corrections to the MCS that comply with 39 C.F.R. § 3040.190.

Respectfully Submitted,

/s/ Joseph K. Press

Public Representative for Docket No. MC2022-57